

Message Text

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FM AMEMBASSY LONDON

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INFO AMEMBASSY BERN

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TAGS: ENRG TECH UK PARM IAEA

SUBJECT: FOREIGN SECRETARY OWEN SPEECH ON NUCLEAR NON-
PROLIFERATION

1. IN HIS SECOND MAJOR SPEECH SINCE ASSUMING OFFICE,
FOREIGN SECRETARY DAVID OWEN REAFFIRMED BRITAIN'S PRO-
FOUND INTEREST IN NUCLEAR NON-PROLIFERATION STRATEGY.

HE SAID PRESIDENT CARTER IS ABSOLUTELY RIGHT TO GIVE THIS ISSUE HIGH PRIORITY AND NOTED BRITAIN WILL SUPPORT HIS INTENTIONS TO THE FULL, AT THE SAME TIME CONTINUING TO MAKE CONSTRUCTIVE CRITICISM AND PROPOSALS. HE DWELT AT LENGTH WITH SUCH QUESTIONS AS URANIUM AVAILABILITY, ECONOMICS OF POWER GENERATION, RELIABILITY OF NUCLEAR FUEL SUPPLY, THE ROLE OF REPROCESSING AND ENRICHMENT, STORAGE AND DISPOSAL OF SPENT FUEL AND THE ECONOMIC AND ENERGY IMPLICATIONS OF A "THROW-AWAY" FUEL CYCLE. OWEN OBSERVED THE CENTRAL ISSUE AND STARTING POINT FOR THE US-PROPOSED INTERNATIONAL FUEL CYCLE EVALUATION PROGRAM SHOULD BE WHAT FUEL CYCLE WOULD MOST EFFECTIVELY CONTRIBUTE TO NON-PROLIFERATION OBJECTIVES WHILE TAKING INTO ACCOUNT ENVIRONMENTAL AND ENERGY SUPPLY CONSIDERATIONS. OWEN ALSO CALLED FOR A BROADER AND MORE REPRESENTATIVE MEMBERSHIP IN THE NUCLEAR SUPPLIERS GROUP, WITHOUT HINDERING ITS DECISION MAKING ABILITY.

2. TEXT OF OWEN SPEECH FOLLOWS. BEGIN QUOTE:

SPEECH FOR DELIVERY BY THE FOREIGN AND
COMMONWEALTH SECRETARY, THE RIGHT HONORABLE
DR. DAVID OWEN MP, TO THE ROYAL INSTITUTE
OF INTERNATIONAL AFFAIRS ON 19 MAY 1977

THE ISSUES OF NUCLEAR NON-PROLIFERATION ARE COM-
PLEX. BUT THE CENTRAL PROBLEM CAN BE REDUCED TO
BRUTALLY SIMPLE TERMS. THE WORLD IS INCREASINGLY
FORCED TO LOOK TO NUCLEAR POWER AS A MEANS OF SUSTAIN-
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ING LIFE, IN THE FULL KNOWLEDGE THAT NUCLEAR POWER, IF
MISUSED, ADDS TO THE DANGER OF DESTROYING LIFE ONCE AND
FOR ALL. THE DILEMMA IS UNPRECEDENTED IN HUMAN HISTORY.
NONE OF US - NUCLEAR AND NON-NUCLEAR STATES ALIKE - HAS
YET FULLY COME TO TERMS WITH ITS IMPLICATIONS. THE ILL
WIND OF THE INDIAN NUCLEAR EXPLOSION OF 1974 - THREE
YEARS AGO YESTERDAY - HAD ONE IMMEDIATELY BENEFICIAL
EFFECT: IT SHOOK THE COMPLACENCY OF MANY COUNTRIES,
BRITAIN INCLUDED. WE HAVE LITTLE TIME LEFT IN WHICH
TO DEVELOP AN INTERNATIONAL STRATEGY - THE ONLY KIND OF
STRATEGY WHICH WILL WORK - TO CONTAIN THE DANGERS OF
NUCLEAR WEAPONS PROLIFERATION.

NUCLEAR NON-PROLIFERATION IS AN AREA IN WHICH
BRITAIN HAS AN INFLUENTIAL VOICE. WE ARE ONE OF ONLY
FIVE NUCLEAR WEAPON STATES; WE ARE ONE OF THE THREE
DEPOSITARY POWERS OF THE NON-PROLIFERATION TREATY; WE
BUILT THE FIRST COMMERCIAL NUCLEAR POWER REACTOR TO GO
ON STREAM MORE THAN 20 YEARS AGO; WE ARE AMONG THE

LEADERS IN DEVELOPING NEW TECHNOLOGY IN COMMERCIAL EN-
RICHMENT, REPROCESSING AND FAST REACTORS; AND TODAY WE
ARE CHAIRMAN AND HOSTS OF THE NUCLEAR SUPPLIERS GROUP.
BRITAIN CANNOT PLAY A MAJOR ROLE IN EVERY AREA OF IN-
TERNATIONAL POLITICAL AND DIPLOMATIC ACTIVITY; BUT IN
NUCLEAR MATTERS THIS COUNTRY HAS THE STANDING, AND THE
DUTY, TO MAKE A DISTINCTIVE CONTRIBUTION. THE PRESENT
PRIME MINSITER, WHEN HE WAS FOREIGN SECRETARY, TOOK A
CLOSE PERSONAL INTEREST IN OUR CONTRIBUTION TO THE
NUCLEAR SUPPLIERS GROUP.

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WE CANNOT CLAIM TO HAVE CUT-AND-DRIED ANSWERS TO WHAT IS ONE OF THE GRAVEST PROBLEMS FACING THE INTERNATIONAL COMMUNITY. THE CHALLENGE IS HOWEVER SUCH THAT WE ARE ALL DUTY-BOUND TO BE CONSTANTLY RECEPTIVE TO NEW THINKING FROM WHATEVER QUARTER. WE SHOULD NOT BE ASHAMED TO ADMIT THAT. WITH A GREATER KNOWLEDGE AND AWARENESS, WE MUST PROGRESSIVELY TIGHTEN UP OUR PROCEDURES AND SOMETIMES CHANGE PAST POLICIES.

SOME ARGUE THAT THERE ARE NO PHYSICAL CONTROLS AT THE DISPOSAL OF SUPPLIERS, WHETHER OR NOT THEY POSSESS NUCLEAR WEAPONS, WHICH CAN GUARANTEE ABSOLUTELY THAT ACCESS TO FISSILE MATERIAL AND THE CAPABILITY TO MAKE A BOMB WILL NOT SPREAD. THIS IS TRUE; BUT IN VERY FEW AREAS OF LIFE CAN WE BE CERTAIN OF AN ABSOLUTE GUARANTEE. TO ARGUE FROM THIS THAT WE SHOULD NOT MAKE THE MAXIMUM EFFORT TO PREVENT THE SPREAD OF NUCLEAR WEAPONS, THAT WE SHOULD RELAX THE STRINGENCY OF THE SAFEGUARDS WE ARE SEEKING, IS AN ARGUMENT NOT ONLY OF DESPAIR, BUT OF FOLLY, WHICH I TOTALLY REJECT. WE HAVE MADE MISTAKES. INTERNATIONAL ACTION HAS BEEN SLOW, INEFFECTIVE AND INSUFFICIENT. THERE HAVE BEEN MEN OF VISION, THERE HAVE BEEN IMPORTANT ACHIEVEMENTS, BUT, JUDGED OVERALL POLITICIANS HAVE ALLOWED THE URGENCY AND DANGERS TO BE SWAMPED BY COMMERCIAL INTEREST AND BUREAUCRATIC INDIFFERENCE. PRESIDENT CARTER IS ABSOLUTELY RIGHT TO GIVE THIS ISSUE HIGH PRIORITY, A VIEW SHARED BY ALL PARTICIPANTS AT THE DOWNING STREET SUMMIT. WE IN BRITAIN WILL SUPPORT HIS INTENTIONS TO THE FULL, AT THE SAME TIME CONTINUING TO MAKE CONSTRUCTIVE CRITICISM AND PROPOSALS.

ABOUT A DOZEN COUNTRIES HAVE IN 1977 THE BASIC KNOWLEDGE AND ACCESS TO FISSILE MATERIALS REQUIRED
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TO PRODUCE NUCLEAR EXPLOSIVE DEVICES. IT HAS BEEN ESTIMATED THAT BY 1987 A FURTHER 20 STATES COULD BE IN A SIMILAR POSITION, IF THEY TOOK THE DECISION NOW. THIS IS A FRIGHTENING PROSPECT. EVEN WITHOUT A COMMERCIAL NUCLEAR POWER PROGRAM, ANY RELATIVELY INDUSTRIALIZED STATE, IF IT WERE DETERMINED TO PRODUCE THE PLUTONIUM ING PLANT.

THE BLUNT TRUTH IS THAT, IF THE INTERNATIONAL COMMUNITY IS TO ELIMINATE PROLIFERATION. IT MUST REMOVE THE INCENTIVE TO ACQUIRE NUCLEAR WEAPONS AND THAT MEANS PURSUING DETENTE AND SERIOUS, BALANCED MEASURES OF DISARMAMENT TO THE FULL. SOME OF THOSE COUNTRIES WHICH COULD SOON BECOME NUCLEAR WEAPON STATES ARE TO BE FOUND IN AREAS OF REGIONAL INSTABILITY AND INSECURITY, EITHER ACTUAL OR POTENTIAL. THERE IS A DIRECT LINK BETWEEN REMOVING THE INCENTIVE TO ACQUIRE NUCLEAR WEAPONS AND THE CREATION OF CONDITIONS OF STABILITY AND SECURITY; THE REVERSE OF THE COIN IS A RECIPE FOR NUCLEAR CONFLICT. THE QUANTITATIVE THREAT OF PROLIFERATING NUCLEAR WEAPONS CAN ONLY BE CONTAINED BY A QUALITATIVE IMPROVEMENT IN THE MANAGEMENT OF INTERNATIONAL RELATIONS.

IT IS THEREFORE ESSENTIAL TO FOSTER AN INTERNATIONAL CLIMATE HOSTILE TO THE PROLIFERATION OF NUCLEAR WEAPONS. THE FIRST STEPS WERE TAKEN NINE YEARS AGO WITH THE NON-PROLIFERATION TREATY. THE TREATY REMAINS THE CENTERPIECE OF NON-PROLIFERATION STRATEGY. IT REFLECTS THE SPECIAL RESPONSIBILITIES OF THE NUCLEAR WEAPON STATES. REGRETTABLY ONLY THREE OF THEM HAVE RATIFIED THE TREATY. BUT FRANCE HAS MADE IT CLEAR THAT SHE WILL ACT AS IF SHE WERE A PARTY; AND I DO NOT BELIEVE THAT CHINA WISHES TO ENCOURAGE PROLIFERATION. THIRTY OR SO NON-NUCLEAR WEAPON STATES HAVE ALSO FAILED TO ADHERE, AMONG WHOM SEVERAL HAVE GROWING NUCLEAR INDUSTRIES.

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WE MUST ENCOURAGE MORE STATES TO ADHERE TO THE NON-PROLIFERATION TREATY. BRITAIN, TOGETHER WITH THE UNITED STATES AND THE SOVIET UNION - THE OTHER CO-DEPOSITARY POWERS - HAS HAD CONSIDERABLE SUCCESS IN BRINGING STATES UNDER THE TREATY'S UMBRELLA: IN THE LAST TWO YEARS, 21 STATES, SOME OF THEM VERY IMPORTANT, HAVE ADHERED. ALTOGETHER THERE ARE 104 STATES PARTY TO THE NON-PROLIFERATION TREATY INCLUDING ALL BUT ONE MEMBER-STATE OF THE EUROPEAN COMMUNITY. IT IS A SIGNIFICANT ASSET THAT THIS IS AN AREA IN WHICH EAST AND

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INTEREST IN AVOIDING NUCLEAR WAR. THE IRONY IS THAT THE TWO SIDES ARE COOPERATING CLOSELY TO CONFINE A DANGER WHICH IN LARGE PART SPRINGS FROM THEIR MUTUAL SUSPICION AND COMPETITION.

THERE ARE A NUMBER OF STEPS WHICH THE NUCLEAR WEAPON STATES COULD TAKE TO MAKE ADHERENCE TO THE TREATY MORE ATTRACTIVE. THESE SHOULD FOCUS ON THE OBLIGATION OF THE NUCLEAR WEAPON STATES UNDER ARTICLE 8 OF THE TREATY TO HALT THE NUCLEAR ARMS RACE. IN PARTICULAR,

- CONTINUED PROGRESS IN SALT - FOR INSTANCE A SECOND AGREEMENT AND THE REALISTIC POSSIBILITY OF A THIRD - COULD HAVE AN IMPORTANT PSYCHOLOGICAL IMPACT. IF SIGNIFICANT REDUCTIONS IN THE LEVEL OF ARMS WERE ACHIEVED, THIS WOULD MARK A MAJOR STEP FORWARD TOWARDS WHAT MUST BE THE ULTIMATE GOAL OF US ALL: THE ABOLITION OF NUCLEAR WEAPONS AS PART OF A COMPREHENSIVE DISARMAMENT AGREEMENT.
- BRITAIN PLAYED A LEADING ROLE IN THE NEGOTIATION OF THE PARTIAL TEST BAN TREATY. WE HAVE ALWAYS SUPPORTED THE OBJECTIVE OF A COMPREHENSIVE TEST BAN TREATY. WE VERY MUCH HOPE THAT CURRENT EFFORTS TO NEGOTIATE SUCH A TREATY BY THE UNITED STATES AND THE SOVIET UNION WILL SUCCEED. WE ARE READY AND WILLING TO PLAY OUR FULL PART IN NEGOTIATIONS. WE BELIEVE THAT SUCH A TREATY MUST ALSO TACKLE THE PROBLEM OF PEACEFUL NUCLEAR EXPLOSIONS. AT THE PRESENT MOMENT, THERE IS NO WAY TO ENSURE THAT PNES DO NOT YIELD MILITARY BENEFITS. FURTHERMORE, THE HEALTH AND SAFETY PROBLEMS ARE FORMIDABLE AND THE POTENTIAL BENEFITS NOT PROVEN. THIS IS WHY THE IAEA, AT BRITISH INSTIGATION, IS LOOKING INTO THE WHOLE QUESTION. IN THE MEANTIME ANY COMPREHENSIVE TEST BAN TREATY MUST INCLUDE A TOTAL PROHIBITION ON PNES.

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THE COMMITMENT IN THE NON-PROLIFERATION TREATY TO CURB THE SPREAD OF NUCLEAR WEAPONS IS ACCOMPANIED BY THE EQUALLY IMPORTANT COMMITMENT UNDER ARTICLE 4 TO PEACEFUL PURPOSES. THE CENTRAL DILEMMA IS HOW BEST TO RECONCILE THESE TWO OBJECTIVES, BOTH OF WHICH WERE ENDORSED IN THE DECLARATION ISSUED AFTER THE DOWNING STREET SUMMIT.

AN EFFECTIVE NON-PROLIFERATION STRATEGY MUST GO HAND IN HAND WITH A VIABLE ENERGY STRATEGY. THIS IN TURN MEANS THAT WE HAVE TO TAKE INTERLOCKING DECISIONS ON DIFFERENT SOURCES OF ENERGY - THEIR RATES OF CONSERVATION, EXPLOITATION, DIVERSIFICATION - AND RELATE THESE DECISIONS TO THE EVEN MORE FUNDAMENTAL ISSUE OF THE KIND OF SOCIETY AND WORLD WE WANT TO LIVE IN: WHAT SHOULD BE ITS PRIMARY MEANS OF TRANSPORT, ITS SOURCE OF HEAT AND LIGHT; WHAT BALANCE SHOULD BE STRUCK BETWEEN THE NEED FOR ENERGY AND THE NEED TO PROTECT THE ENVIRONMENT. THERE ARE ALSO IMPORTANT CIVIL LIBERTY ISSUES ABOUT WHAT LEVEL OF PHYSICAL SECURITY IS TOLERABLE IN PEACETIME FOR CIVIL INSTALLATIONS. AT THE PRESENT MOMENT, ALTHOUGH AT LAST WE HAVE STARTED OPENLY TO DEBATE THE ISSUES, IN NONE OF THE INDUSTRIALIZED DEMOCRACIES HAVE WE ARRIVED AT A NATIONAL CONSENSUS ON HOW THEY SHOULD BE RESOLVED.

THE BACK-CLOTH AGAINST WHICH A NON-PROLIFERATION STRATEGY HAS TO BE URGENTLY HAMMERED OUT IS ONE OF A PROSPECTIVE SHORTAGE OF ENERGY, REINFORCED BY THE ECONOMIC AND STRUCTURAL CONSEQUENCES FLOWING FROM EVER-INCREASING PRICES. PRESENT FORECASTS SHOW WORLD DEMAND FOR OIL FAR EXCEEDING SUPPLY BY THE MID 1980S. SOME PREDICT A WORLD ENERGY CRISIS BEFORE THE END OF THE CENTURY. PREDICTION IS A HAZARDOUS BUSINESS; BUT THE HEADS OF GOVERNMENT AGREED AT THE DOWNING STREET SUMMIT:

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"ON THE NEED TO INCREASE NUCLEAR ENERGY TO HELP MEET THE WORLD'S ENERGY REQUIREMENTS". THE PLAIN TRUTH IS THAT SOME COUNTRIES HAVE NO ALTERNATIVE TO NUCLEAR POWER AND EVEN THOSE WITH PLentiful OIL AND COAL KNOW THESE CANNOT CONTINUE INDEFINITELY.

THIS SAID, THE OBJECTIVE OF THE "TECHNICAL" COMPONENT IN NON-PROLIFERATION STRATEGY MUST STILL BE TO PLACE THE MOST STRINGENT CONTROLS ON ACCESS TO THE TECHNOLOGY AND FISSION MATERIALS NECESSARY TO PRODUCE ATOMIC WEAPONS.

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THE PRESENT POSITION IS THAT IAEA SAFEGUARDS APPLY TO
ALL THE CIVIL NUCLEAR ACTIVITIES OF THE NON-WEAPON
STATES WHO ARE PARTIES TO THE NON-PROLIFERATION TREATY;
IN ADDITION BRITAIN AND THE UNITED STATES, ALTHOUGH
NUCLEAR WEAPON STATES, HAVE VOLUNTARILY ACCEPTED IAEA
SAFEGUARDS ON THOSE PARTS OF THEIR NUCLEAR INDUSTRY
WHICH SUPPLY THEIR CIVIL NUCLEAR PROGRAMS. THE NUCLEAR

SUPPLIERS GROUP HAS ESTABLISHED GUIDELINES DESIGNED TO REMOVE SAFEGUARDS AND CONTROLS FROM THE AREA OF COMMERCIAL COMPETITION.

IT IS A MEASURE OF THE SIZE OF THE PROBLEM THAT, DESPITE THESE EFFORTS, THE PRESENT SITUATION IS UNSATISFACTORY AND UNACCEPTABLE. WE MUST CONSTANTLY STRIVE TO MAKE THE INTERNATIONAL SAFEGUARDS SYSTEM AS WATERTIGHT AS POSSIBLE. NEW THINKING IS NEEDED IF WE ARE TO ACHIEVE OUR DUAL PURPOSE OF PROMOTING NON-PROLIFERATION AND BUILDING UP MUTUAL CONFIDENCE BETWEEN NUCLEAR AND NON-NUCLEAR POWERS. THIS IS WHY FOR THE PAST TWO YEARS THE UK HAS ADVOCATED THE GENERAL APPLICATION OF FULL FUEL CYCLE SAFEGUARDS. A MODEL AGREEMENT HAS BEEN DRAWN UP BY THE IAEA, AT BRITAIN'S INSTIGATION, TO ENABLE NATIONS WHO ARE NOT PARTY TO THE NON-PROLIFERATION TREATY TO ACCEPT FULL FUEL CYCLE SAFEGUARDS. WE WELCOME THE AMERICAN GOVERNMENT'S RECENT ENDORSEMENT OF THIS. IT IS A SIGNIFICANT CHANGE IN THEIR POSITION AND WE HOPE THAT OTHERS WILL FOLLOW THEIR EXAMPLE.

THE NEW AMERICAN ADMINISTRATION'S PROPOSALS ARE WIDE-RANGING AND COMPLEX AND GO FAR FURTHER THAN ANYTHING PROPOSED HITHERTO. THEIR PURPOSE IS TO REMOVE THE INCENTIVE FOR MORE COUNTRIES TO ACQUIRE THEIR OWN ENRICHMENT AND REPROCESSING CAPABILITY, WHICH COULD BE USED FOR MILITARY PURPOSES; TO OFFER THEM INSTEAD ASSURED SUPPLIES OF ENRICHED FUEL TO MEET ALL THEIR POWER NEEDS; UNCLASSIFIED

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AND SO TO SEEK THEIR ACCEPTANCE OF WHAT IS COMING TO BE CALLED THE "THROW AWAY" FUEL CYCLE, WHICH WOULD DISPENSE WITH COMMERCIAL REPROCESSING AND PLUTONIUM BASED FUEL CYCLES ALTOGETHER. THESE PROPOSALS MERIT THE MOST DETAILED AND CAREFUL EVALUATION BEFORE WE REACH ANY FINAL CONCLUSIONS ON THE BEST MEANS OF ACHIEVING NON-PROLIFERATION OBJECTIVES AND AT THE SAME TIME SATISFYING THE ENERGY REQUIREMENTS OF COUNTRIES OTHER THAN THE UNITED STATES. THIS EVALUATION HAS ONLY JUST BEGUN. IN BRITAIN WE WILL APPROACH IT URGENTLY, WITH AN OPEN MIND AND A FIRM COMMITMENT TO NON-PROLIFERATION; BUT IT IS TOO EARLY TO PASS DEFINITIVE JUDGMENTS ON PRESIDENT CARTER'S PROPOSALS. THERE ARE A NUMBER OF QUESTIONS WHICH WE SHALL HAVE TO TAKE INTO ACCOUNT.

THE FIRST IS WHETHER THERE WILL BE SUFFICIENT URANIUM AVAILABLE TO MEET THE WORLD'S ENERGY DEMANDS WITHOUT PLUTONIUM. ARE URANIUM RESERVES IN NON-COMMUNIST COUNTRIES SUFFICIENT TO MEET THE DEMANDS OF REACTORS PLANNED FOR CONSTRUCTION BY THE MID-1990S? IF SO, FOR

HOW MUCH LONGER? THE FORD MITRE STUDY THOUGHT THAT AT PROJECTED RATES OF DEMAND THERE WOULD BE NO DIFFICULTY ABOUT FULFILLING REQUIREMENTS FOR URANIUM UP TO THE TURN OF THE CENTURY. OTHER AUTHORITIES TAKE A DIFFERENT VIEW. EITHER WAY WHAT HAPPENS AFTER THE TURN OF THE CENTURY? WILL URANIUM ORE FOLLOW THE SAME GENERAL HISTORY AS MOST OTHER MINERALS? THAT IS, WITH FORESEEABLE ADVANCES IN TECHNOLOGY AND CHANGED ECONOMIC CONDITIONS, WILL IT BE POSSIBLE TO EXPLOIT ORES AND RESERVES OF PROGRESSIVELY LOWER GRADE AND LESSER ACCESSIBILITY? ONCE UPON A TIME NO-ONE WOULD HAVE TOUCHED COOPER BELOW A YIELD OF 20 PERCENT. TODAY 1/2 PERCENT COPPER IS ECONOMIC IN SOME PARTS OF THE WORLD. IN THE LATTER HALF OF THE NINETEENTH CENTURY NO-ONE WOULD HAVE TOUCHED THE LOW-GRADE IRON ORE WHICH WE NOW MINE IN THE UK. HOW MUCH DIFFERENCE WILL HIGHER PRICES (AND WHAT PRICES?) MAKE TO THE AVAILABILITY

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OF URANIUM AND THE ECONOMIES OF NUCLEAR POWER GENERATION? THE ANSWERS TO THESE QUESTIONS WILL GREATLY AFFECT THE POLICY CONCLUSIONS WE DRAW.

ASSUMING THE EXISTENCE OF SUFFICIENT URANIUM WORLD-WIDE, THERE IS STILL ANXIETY AS TO WHETHER IT WOULD BE SAFE FOR ANY COUNTRY TO DEPEND ON SUPPLIES FROM OTHERS. THE UNITED STATES AND CANADA ALONE AMONG WESTERN COUNTRIES ARE IN A POSITION TO MEET THEIR NEEDS INTO THE NEXT CENTURY FROM THEIR OWN RESOURCES. TO RELY HEAVILY ON URANIUM IMPORTS RAISES SERIOUS QUESTIONS. IT CAN BE ARGUED THAT REPROCESSING AND THE EVENTUAL USE OF FAST BREEDER REACTORS WOULD LESSEN, OR ELIMINATE, DEPENDENCE

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ON POSSIBLY UNCERTAIN URANIUM SUPPLIES FOR THOSE COUNTRIES WITH NONE OF THEIR OWN. WE NEED TO ASK OURSELVES WHETHER THERE IS A QUALITATIVE DIFFERENCE BETWEEN DEPENDENCE IN THE CASE OF URANIUM AND DEPENDENCE IN THE CASE OF FOOD, LET ALONE OIL. WE NEED ALSO TO ASK OURSELVES WHETHER, IF THERE ARE COUNTRIES WHO CANNOT DO WITHOUT REPROCESSING, THEY WILL NOT BE DRIVEN TO DEVELOP THEIR OWN FACILITIES FROM EXISTING TECHNOLOGY. SHOULD COUNTRIES LIKE BRITAIN AND FRANCE WITHDRAW THE REPROCESSING SERVICES THEY NOW OFFER TO OTHERS. THE EXAMPLE OF BRAZIL AND PAKISTAN HAVE SHOWN THAT THE INCENTIVE TO HAVE REPROCESSING FACILITIES EXISTS. THERE ARE STRONG ARGUMENTS FOR URGING, ON PROLIFERATION GROUNDS, THAT REPROCESSING, IF IT IS TO TAKE PLACE, SHOULD DO SO IN AS FEW COUNTRIES AS POSSIBLE.

THE SAME CONSIDERATIONS APPLY TO ENRICHING URANIUM. URANIUM HAS TO BE TREATED, AND SLIGHTLY ENRICHED, BEFORE IT IS USABLE AS FUEL FOR MOST CIVIL NUCLEAR POWER STATIONS. WE MUST REMEMBER -- AND WE MUST NOT ALLOW IT TO BE OVERLOOKED IN THE PRESENT DISCUSSIONS -- THAT A NUCLEAR BOMB CAN BE MADE FROM HIGHLY ENRICHED URANIUM AS EASILY, IF NOT MORE EASILY, THAN FROM PLUTONIUM.

ASSUMING WE CAN FIND SATISFACTORY ANSWERS TO THESE PROBLEMS, THERE ARE STILL IMPORTANT POLITICAL AND TECHNICAL QUESTIONS ABOUT THE "THROW AWAY" CYCLE AND WHETHER IT CONTRIBUTES TO NON-PROLIFERATION OBJECTIVES AS MUCH AS IS CLAIMED.

- WHAT KIND OF SYSTEM, FOR EXAMPLE, SHOULD BE DEvised FOR STORING SPENT FUEL, BEARING IN MIND THAT IT WOULD STILL CONTAIN LARGE QUANTITIES OF PLUTONIUM, WHICH COULD BE SEPARATED AT ANY TIME, AND WHICH WOULD IN LOGIC REQUIRE THE SAME DEGREE OF INTERNATIONAL CONTROLS AS APPLY TO REPROCESSING?
- CAN A SATISFACTORY DISPOSAL ROUTE BE IDENTIFIED FOR UNCLASSIFIED

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INDEFINITELY FROM A TECHNICAL POINT OF VIEW? OUR OWN MAGNOX FUEL ELEMENTS, FOR EXAMPLE, MUST BE RE-PROCESSED. WOULD THE INDEFINITE STORAGE OF UNRE-PROCESSED SPENT FUEL ELEMENTS BE ACCEPTABLE ENVIRONMENTALLY? DENSELY POPULATED COUNTRIES IN EUROPE AND JAPAN WILL INEVITABLY BE CONCERNED ABOUT THE SAFETY PROBLEMS.

- WHAT ARE THE ECONOMIC AND ENERGY IMPLICATIONS OF THE AMERICAN PROPOSALS? WILL A THROW-AWAY CYCLE BE MORE EXPENSIVE, COUNTING STORAGE AND FUEL COSTS? IF AN ALTERNATIVE TO THE "THROW-AWAY" CYCLE CAN BE SHOWN TO BE EQUALLY EFFECTIVE ON NON-PROLIFERATION GROUNDS AND CHEAPER IN TERMS OF ENERGY COST AND CONSUMPTION, IT WOULD CLEARLY BE PREFERABLE. SO WE CANNOT MAKE THESE JUDGMENTS WITHOUT ANY ECONOMIC ASSESSMENT. WE SHOULD NOT SHRINK FROM PAYING HIGHER COSTS IF THIS WOULD ACHIEVE GREATER SAFETY AND REDUCE THE RISKS OF PROLIFERATION. NON-PROLIFERATION OBJECTIVES MUST NOT BE SACRIFICED TO THE APPLICATION OF NARROWLY BASED COST-EFFECTIVE CRITERIA.
- IN SUM, WHAT FUEL CYCLE WOULD MOST EFFECTIVELY CON-

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AMEMBASSY TOKYO
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AMEMBASSY NEW DELHI
AMEMBASSY ISLAMABAD
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TRIBUTE TO NON-PROLIFERATION OBJECTIVES WHILE TAKING
INTO ACCOUNT ENVIRONMENTAL AND ENERGY SUPPLY CONSID-
ERATIONS? THIS IS THE CENTRAL ISSUE. THIS IS THE

STARTING POINT FOR THE AMERICAN PROPOSAL FOR AN INTERNATIONAL FUEL CYCLE EVALUATION PROGRAM. AT THE DOWNING STREET SUMMIT THE SEVEN NATIONS REPRESENTED AGREED TO FORM A STUDY GROUP AS PART OF THE WIDER INTERNATIONAL EFFORT WHICH WILL BE NEEDED TO LAUNCH THE PROGRAM; AND WHICH WILL REQUIRE THE SUPPORT OF MANY NATIONS, SUPPLIERS AND CUSTOMERS ALIKE.

THESE ARE SOME OF THE FUNDAMENTAL QUESTIONS TO WHICH WE SHALL NEED TO FIND ANSWERS IN THE COMING MONTHS. MEANWHILE WE MUST NOT DELAY DECISION-MAKING IN THE NUCLEAR SUPPLIERS GROUP; BUT WE SHOULD OPEN UP THE GROUP TO A BROADER AND MORE REPRESENTATIVE MEMBERSHIP. A PRIVILEGED GROUP WILL NOT BE LISTENED TO IN THE WIDER WORLD.

WE HAVE THEREFORE TO ESTABLISH AN INTERNATIONAL DIALOGUE BASED ON THE RECOGNITION THAT ALL COUNTRIES, WHATEVER THEIR STAGE OF DEVELOPMENT, HAVE A LEGITIMATE REQUIREMENT FOR TIMELY ASSURANCES THAT THEIR FUTURE ENERGY NEEDS, INCLUDING NUCLEAR, WILL BE MET; AND THAT, WITHOUT SUCH ASSURANCES, GENERAL AGREEMENT ON MEASURES TO CONTROL, IN THE NAME OF NON-PROLIFERATION, THE USE OF NUCLEAR ENERGY FOR PEACEFUL PURPOSES WILL NOT BE POSSIBLE. THE COUNTRIES OF THE WORLD HAVE ALSO AN ABIDING INTEREST IN CURTAILING THE THREAT TO THE HUMAN RACE POSED BY PROLIFERATION. THESE ISSUES, AND THEIR RECONCILIATION, CAN ONLY BE DEALT WITH SATISFACTORILY BY A LONG-TERM PROCESS OF CONTINUOUS AND OPEN-ENDED NEGOTIATION.

IT MAY BE THAT 1977 WILL SHOW A NEW AWARENESS OF THESE FUNDAMENTAL CONSIDERATIONS. IF SO, WE ARE ON A

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COURSE WHICH OFFERS THE POSSIBILITY THAT NUCLEAR ENERGY WILL ULTIMATELY CONTRIBUTE TO HUMANITY'S SALVATION, NOT TO ITS DESTRUCTION. THE BRITISH GOVERNMENT WILL DO EVERYTHING IN ITS POWER TO ENSURE THAT THE INTERNATIONAL COMMUNITY STICKS TO THIS COURSE. END QUOTE.

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